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February 11, 2019

Honorable Carla E. Craig
United States Bankruptcy Court
271 Cadman Plaza East
Brooklyn, NY 11201

RE: Delores Bennett-Morgan aka Delores Bennett-Bailey
Chapter 7
Case Number: 18-44014
SD&B File Number: 18-076967

Dear Judge Craig:

This loss mitigation status letter is submitted on behalf of Nationstar Mortgage LLC ("Nationstar") as Servicer for U.S. Bank National Association, as Trustee for Lehman XS Trust Mortgage Pass-Through Certificates, Series 2007-4N (the "Investor"), a secured creditor of the above-referenced Debtor.

Upon receipt of the Loss Mitigation Order dated January 7, 2019 (ECF Doc. No. 41), Nationstar completed a good faith review for a loan modification, which resulted in a denial. The basis for the denial was Nationstar's inability to lower the Debtor's monthly principal & interest payment as required. The modification review did not require a financial package, and no documents are being requested or required at this time. A denial letter dated January 10, 2019 was mailed to the pro se Debtor. A courtesy copy of the denial letter is also attached to Nationstar's Creditor Loss Mitigation Affidavit filed on February 7, 2019 as ECF Doc. No. 44. Detailed denial figures follow immediately below.

Detailed Denial Figures

As part of the loan modification review, the unpaid principal balance would have to increase from \$559,544.80 to \$868,124.40. Nationstar then tried to forbear \$254,524.40 as non-interest-bearing deferred principal (i.e. a balloon payment), leaving an interest-bearing principal balance of \$613,600.00. Nationstar then would have lowered the interest rate from a variable rate of 6.50%¹ to a fixed rate of 4.875%. After these steps, the monthly principal & interest payment, exclusive of escrow, would increase from \$1,825.62 to \$3,350.87. Since the principal & interest

¹ Because Nationstar's loan is a variable rate loan, this figure varies from the 1.0000% in the original Note, the 4.875% on Nationstar's timely Proof of Claim, Claim No. 3-1, and the 5.0000% on the Notice of Payment Change Payment Change filed on August 6, 2018. The loan modification review interest rates and monthly payment are calculated as of the default date. Please also note that this loan features an interest-only payment option.

ATTORNEYS AT LAW

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payment increased, the modification resulted in a denial due to insufficient monthly payment reduction.

At the time of the modification review, the monthly escrow payment (taxes and insurance) would have been approximately \$817.15. The total post-modification monthly payment, inclusive of escrow, would have been approximately \$4,168.02.

Nationstar's loan modification review was based on payment reduction, not on financial documentation. However, please also note that the modified payment appears unaffordable for the Debtor. According to the Debtor's Schedule I, her gross monthly household income is \$2,514.00. The Debtor's Schedule J includes an estimated monthly mortgage payment of \$2,900.00 and total expenses of \$4,460.00 per month. Resultantly, the Debtor's net monthly loss is (\$1,946.00). Since the modified monthly mortgage payment would be higher than \$2,900.00, the monthly loss would be even greater.

Furthermore, the modified monthly mortgage payment would exceed the Debtor's gross monthly household income by \$1,654.02 per month. The Debtor's Chapter 13 Statement of Current Monthly Income (ECF Doc. No. 13) shows that her income has not changed since filing.

Finally, please note that this Investor prohibits a term extension as part of a modification review. However, even if Nationstar was able to waive the term extension restriction, hypothetically, using the interest-bearing principal of \$613,000, the interest rate of 4.875%, and a 480 month term, the monthly principal & interest payment would be \$2,905.00. The total modified payment would be approximately \$3,722.15, which still significantly exceeds the Debtor's gross monthly household income.

Part of the reason why the monthly payment could not be reduced is the length of default. Nationstar's loan is due for August 1, 2008, over ten years ago.

If the Debtor would like to appeal the denial, please email an appeal to Debbie Callahan at dcallahan@logs.com.

If the Debtor would like a conference call to discuss the denial and next steps, please email Debbie Callahan at dcallahan@logs.com or call her at 631-386-3032 to set up a conference call for a mutually convenient time and date.

If the Debtor does not wish to appeal the denial or schedule a conference call, Nationstar respectfully requests termination of loss mitigation due to the detailed denial.

The instant loss mitigation status letter is being served on the pro se Debtor via first class mail

and to the email address in the Petition concurrently with filing.

If you have any questions, please do not hesitate to contact the undersigned.

Very truly yours,

/s/ Katherine Heidbrink

Katherine Heidbrink

Service via first class mail:

Debtor Appearing Pro Se
Delores Bennett-Morgan
376 E. 26th Street
Brooklyn, NY 11226

Service via email:

Debtor Appearing Pro Se: silburn37655@hotmail.com

Service via ECF:

Trustee David J. Doyaga
United States Trustee